

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

June 20 & 21, 2000

Best Western Summit Inn
Snoqualmie Pass, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT DAY 1:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
James Peters	Olympia
John Roskelley	Spokane
Steve Meyer	Executive Director, Conservation Commission
Jeff Koenings	Director, Department of Fish and Wildlife
Jerry Alb	Designee, Department of Transportation

A tape of the meeting's proceedings is retained by IAC as the formal record of the meeting.

Chair convened the session at 3:15 p.m.

LEAG Update

The Chair opened the first day of this two-day meeting by welcoming the members of the newly established Lead Entity Advisory Group (LEAG) who were attending the SRFB meeting after their first LEAG meeting. The Chair asked Tim Smith, WDFW, to give an overview of the first LEAG meeting.

LEAG members introduced themselves:

John Lombard, Watershed Coordinator for WRIA 8 King County
Jay Watson, Hood Canal Coordinating Council
Steve Martin, Snake River Salmon Recovery Region, Watershed Stewardship Team
Jeff Breckel, Lower Columbia Fish Recovery Board
Shirley Solomon, Skagit Watershed Council
John Sims, Quinault Indian Nation, WRIA 21 Lead Entity
Ron Craig, Willapa Bay Fisheries Enhancement Group, Pacific County WRIA 24

Tim Smith then gave an overview of what happened at the meeting and what will happen later this evening: discussed scope and procedures for the LEAG, their goals, budget development for 01-03FY, and expanded range of activities for lead entities. He informed the Board that they are taking minutes at the LEAG meetings and will distribute to the SRFB members once finalized.

The Board requested a LEAG update be an ongoing agenda item at future SRFB meetings.

Budget Preview

Debra Wilhelmi gave an update on budget development activities and what to expect at the July SRFB meeting when the budget will need to be adopted by the Board. The Governor has requested the Office of Financial Management (OFM) coordinate the Joint Natural Resources Cabinet (JNRC) budget process to facilitate salmon recovery efforts among agencies. There are three JNRC budget meetings scheduled: June 29, July 18, and August 1. Unfortunately, the JNRC meeting dates do not fit well with the SRFB's meeting schedule. The Board will not meet in August, so Board decisions may be made with minimal input from JNRC.

Debra began her presentation by reviewing the Capital Budget, which is the largest dollar amount and decision-making responsibility area for the Board.

The Board's primary decision for the Capital Budget will be to identify the size and purpose of the capital request it will put forward to the Governor and Legislature. Debra presented several potential capital budget request items for the Board to consider: grant funds for salmon restoration projects; regional capacity support to all salmon recovery regions' ESU planning; funds for statewide monitoring and assessment; and funds for technical assistance and/or scientific teams.

Debra explained that there are three steps to the operating budget: carry forward, maintenance, and policy and performance level.

Role of Board Members, State Agencies, Lead Entities, and Others Involved in Salmon Recovery

Jim Kramer gave an overview of the "Roles" document that was provided. Jim listed the implications for the Board. Staff will develop a more detailed information sheet for each of the implications and parties involved to be able to make better budget decisions.

Suggestions were made to edit the wording in the list of roles.

Jim Kramer suggested that, after some rewording of the document, LEAG develop role statements for the lead entity system and draft something for the Board's review. Still need to get more commitment from the agencies on their part of this process. Package will be presented at the July meeting.

May require some legislative changes to make the suggestions work.

Science in Salmon Recovery - Update

Jim Scott gave an update on what the Science Panel has accomplished since the last meeting.

Larry Cassidy requested the group include Brian Walsh, NWPPC.

Proposal by Science Panel will be presented to the Board on July 12.

Technical Review Process

Jim Fox previewed the Technical Review process and what decisions will be before the Board at tomorrow's meeting.

Jim Fox outlined the topics the technical review panel will be asking of the lead entities. Panel will then give written recommendations, flag projects for removal from the list, and highlight types of projects needed in the watersheds.

Meeting recessed at 5:20 p.m.

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT DAY 2:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
James Peters	Olympia
John Roskelley	Spokane
Steve Meyer	Executive Director, Conservation Commission
Jeff Koenings	Director, Department of Fish and Wildlife
Jerry Alb	Designee, Department of Transportation

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Call to Order

Chair Ruckelshaus called the meeting to order at 8:30 a.m. The agenda was approved.

Topic #1: Review and Approval of Minutes

Larry Cassidy made the **motion** to approve the minutes. Jim Peters **seconded** the motion, minutes **approved**.

Topic #2: Management and Status Reports

Financial Report: Debra Wilhelmi noted that there is very little change since the last meeting. Many reimbursements were processed – a million dollars were paid in the last month. John Roskelley questioned whether the Board receives interest on its appropriated funds. - *No, the state money is in a general account and the federal money is on a reimbursable process.*

Project Manager Update: Eric Johnson reported on project managers' work in the past month. Of the 84 projects funded in the Early 2000 Grant Cycle, 54 contracts have been forwarded to project sponsors for their review and approval. Staff performed project site inspections on projects that are nearing completion or are completed; continued to be involved in review of the Second Round 2000 Grant Cycle policies and application materials; meetings with WDFW and other experts on development of the monitoring protocols for experimental logjams; provided customer service to clients by attending meetings to explain policies, procedures, application requirements, and other business related to SRFB activities; and administered the 361 salmon projects in the system.

One Board member requested a directory of the currently funded projects and contacts. *Staff will provide, along with a presentation on completed projects.*

Topic #3: GSRO Report

The Governor's Salmon Recovery Office submitted a written report. See notebook materials for more information.

Topic #4: Technical Review & Evaluation Process Second Round 2000 Grants

Jim Fox highlighted information from the notebook memo and the 6 questions for the Board to answer today:

1. Do you agree with the emphasis on wild salmon?
2. Do you agree with the main parameters the technical panel will use: local benefit, certainty, and regional importance?
3. Do you agree with the three steps of the technical evaluation process and the staff role?
4. What model do you want for early interaction between the technical panel and lead entities?
5. Do you agree with the appointment process and composition of the technical panel?
6. Do you agree with the evaluation questions?

1. Does the Board agree with emphasis on “wild” salmon?

Discussion: Larry Cassidy felt the staff worded this question correctly. Very hard to define wild salmon and the Board should not get into this discussion. Bill Ruckelshaus mentioned a report that should be released soon from the hatchery reform group discussing the role hatchery fish play in recovery. Brenda McMurray mentioned that we are doing projects to help habitat – is this habitat for wild stocks only or both wild and hatchery? In the past grant cycle, the Board funded projects that were beneficial to both wild and hatchery stocks.

Public Testimony:

Ron Craig, Pacific County – Would like to support staff process and recommendations. Would like the board to adopt option number 4 where the technical committee meets with the local groups. He would suggest the Board look to the RFEG groups to help with technical review. On the wild salmon issue, they would like to get salmon back to their watershed in areas that the habitat has been damaged. Hatchery fish will stray in these areas once the habitat is up to par. Would use the word “naturally spawning” salmon. Very pleased with the new LEAG process but gives one cautionary note: Don’t make the process so complex that it drives the administrative costs up so that some of the sponsors drop out since it is so labor intensive to get the projects on the ground. He doesn’t feel the process is too complex currently but it is on the edge, so is asking the Board to make sure it doesn’t get anymore complicated.

Dennis Beich, Okanogan County – Does not have the information to be able to use the critical pathway analysis. Process complexity – the Okanogan area is moving toward a regional process. Due to this regional process, the project proponents need to go through six different panels. Salmon recovery is driven by ESA – Does not think it is this Board’s responsibility to define “wild”.

Brenda McMurray asked about the complexity – whether the same questions are being asked or if there are different questions at each level? Dennis agreed that this is a new

process for all and that hopefully complexity will diminish as time goes on but currently there is a lot of duplication.

Steve Martin, WST Asotin County – Met with his lead entity group to get their questions and concerns:

1. Monitoring – Will the Board focus on project effectiveness monitoring or watershed monitoring?
2. Prioritization of wild or hatchery stocks – his lead entity area has created a priority stock list based on whether they are hatchery or wild stocks, part of recovery or part of supplementation or mitigation. With this list, they are able to prioritize projects in their area. Possibly each lead entity area should have a list like this to help the Board in their funding decisions.
3. Will the Board set a limit (cap) on the amount of money spent on studies and assessments?
4. Prelist interaction – prefer option number 3 but don't feel there is enough time to review each and every project and so would like a hybrid of this process.
5. Strategic versus opportunistic – the easier, low hanging fruit, projects have been funded; we are now getting to the more complicated projects.

Jeff Breckel, LCFRB – encouraged the Board to work closer with the lead entities and not make the lead entities re-justify their process each year. Feels that the Board should start building on past funding cycles and not repeat the same questions and processes each year. Supports option 3.

Jay Watson, HCCC – complexity – there is a complexity but there needs to be complexity in the process to make it successful. Wild Salmon – agrees with staff statement, it is appropriately phrased. Three main parameters, need to think through what the answers will be. If all the answers will be yes then will not accomplish much. Also supports option 3. Jay wonders how their strategy fits with the other lead entities around his, for future roll-up to regional and statewide strategies.

John Cambalik, NOPL – would like to defend stocks that are not listed. If the goal is sustainable stocks then need to balance the recovery of both weak and strong stocks. This is a complex process

Ron Schultz, Audubon Society – What is the role of the Board compared to the rest of the processes across the state? The legislature may need to make some changes to mesh all these issues. Complexity between lead entities and the Board will work its self out over time. Would go with option 2. Believes the Board should emphasize the wild stock, but feels that after five or six generations of hatchery fish spawning naturally they are considered wild stock, so is supportive of hatchery supplementation.

John Sims, Lead Entity Coordinator for WRIA 21 – Option 1 doesn't work, 2 is workable, supports option 3. ESA is a law: protection is required.

Bob Metzger, US Forest Service – Opinion, supports the wild salmon – we don't have enough resources to fix all the problems so need to prioritize, should protect the existing wild salmon stocks. We could always increase the hatchery stocks at a later

date. Forest Service has adopted strategy of protecting best watershed first. These are mostly on the west coast in Washington and Oregon. Challenge is linking these efforts with the state efforts to make sure all the groups are working with each other and not against other efforts.

Chairman Ruckelshaus noted all the groups need to work together to get the best projects and strategies possible.

Decisions:

1. Emphasis on wild salmon:

After discussion, the Board agreed with the emphasis on “wild” salmon. It is still very controversial what the exact definition of “wild salmon” is, but most everyone at the meeting felt that the staff worded the question correctly, with emphasis but not exclusive focus on wild salmon. It is up to NMFS and USFWS to develop the criteria for “wild” salmon. The Board is charged with funding the best projects. ESA is the law and protection is required. Lead entity evaluation questions will be adjusted for consistent references.

2. The three main parameters the technical panel will use: local benefit, certainty, and regional importance:

The Board agreed with the parameters with some rewording to clarify the definitions and what the Board is asking for.

3. Three steps for the technical evaluation process and the staff role:

The Board concurred with the staff’s process recommendation: lead entity meeting with the technical panel; list review by the technical panel; and finally a recommendation report from the technical panel and staff.

Announcement:

Larry Cassidy is a new grandfather to a little boy, born last night, June 20.

Topic #6: Second Round 2000 Grant Cycle – Remaining Issues

Jim Fox reviewed the comments received on the assessments and studies language and final wording.

After discussion of issues relating to assessment coordination needs and a change proposed by the Department of Ecology, the Board concurred with the staff recommendation. “Assessments and Studies” will be worded as follows:

“Assessments and Studies are eligible for grant funds if the assessment or study:

1. assists in, or provides information necessary for, the development or implementation of the critical pathways methodology for a watershed or lead entity area; or

2. addresses and information or analytical need identified in a completed limiting factors analysis that is necessary for improving the identification and selection of habitat protection and restoration projects; or
3. results in demonstrating the feasibility of a project that has been identified as a high priority by a lead entity.

Assessments and studies may include feasibility studies, channel migration studies, reach-level, nearshore and estuarine assessments, and inventories such as barrier, unscreened water diversions and landslide hazard inventories. A feasibility study could include assessing the willingness of landowners to agree to allow access to their land for a habitat project or to consider selling a conservation easement. Assessments must be closely coordinated with other assessment and data collection efforts in the watershed and with WDOE, WDFW, the Conservation Commission, Tribes, and in the Columbia Basin with the NWPPC to prevent duplication and ensure the use of appropriate methodology and protocols. To improve coordination, lead entities are encouraged to be applicants for these funds or to partner with applicants. Assessments and studies must be completed in two years unless additional time can be justified by the project sponsor.”

Funds Advance Policy

Debra Wilhelmi reviewed the SRFB Cash Advance Policy. Brenda McMurray asked about the 90% limit of the SRFB share. Debra explained the process. John Roskelley voiced concern with advances to a private landowner. After review of the proposed cash advance policy, the Board approved a policy that encourages grantees to seek alternative funding, such as a Letter of Credit. However, it will provide advances to grantees in those situations where it would be difficult for grantees to implement a salmon recovery project on a reimbursement basis. Larry Cassidy made the **motion** to approve the Cash Advance Policy. Brenda McMurray **seconded**, Board **approved**, motion passed.

Individual Project Application Packet (Manual #18a)

The document dated June 16, 2000, is still missing the optional sub-questions to go with the six evaluation questions. Staff will develop the sub-elements and get them to the Board for final review prior to release. The individual project application packet should be available by the end of June. Other than the sub-questions and minor editorial corrections, the forms are complete.

Lead Entity Application Packet (Manual #18b)

The lead entity application packet will be revised to reflect decisions made during the June and July SRFB meetings. It should be available by the end of July.

Board's Policies and Criteria Manual for this Grant Round (Manual #18)

Staff will get the revised version of this manual to the Board for final approval at the July SRFB meeting.

Topic #5: Lead Entity Operation and Maintenance

At the meeting, the Department of Fish and Wildlife (WDFW) requested funding, not to exceed \$150,000, from the SRFB to provide “operation and maintenance” money for four new lead entities. Previous funding provided by the Legislature was allocated by WDFW for support of the current 21 lead entities. After allocation of the existing funding, WDFW staff received applications from San Juan and Douglas Counties and is anticipating applications from Northeast Washington and the Yakima Basin for lead entity operations and maintenance funding. This need for lead entity coverage resulted in the request by WDFW to the SRFB for additional funding for the four new lead entity areas. If, for any reason, one or more of the four new lead entities fails to meet statutory guidelines, the subsequent contract between SRFB and WDFW will be reduced.

Brenda McMurray made a **motion** to approve up to \$150,000 to WDFW for establishment of four new lead entity areas (Yakima Basin, San Juan County, Pend Oreille, and Douglas County) for this funding cycle. This is a one-time request and will be handled legislatively in the future. Larry Cassidy **seconded** the motion. Board **approved**. Motion passed.

Guest:

Bill Ruckelshaus introduced Representative Jim Buck who had stopped in for a moment.

Continuation of Topic #4 Technical Review Process

4. Model for early interaction between the technical panel and lead entities:

The Board decided to use the third option. In this model the technical panel meets with each of the lead entities in their watershed to gain an understanding of the watershed, discuss potential projects and the processes used to develop project lists. Although this model provides the greatest opportunity for communication, it is also the most expensive and requires the most time dedication by the technical panel members.

5. Appointment process and composition of the technical panel:

The Board decided to select a technical panel consisting of members that have expertise and work experience in a variety of areas, including fish, habitat and conservation biology, geomorphology, hydrology, and watershed ecology, to ensure that a diversity of perspectives will be brought to the evaluation process. The Board also believes it is important that the co-managers and the two federal agencies that administer the ESA (USF&W and NMFS) be part of the panel. Panel members should have a good understanding of watershed functions, salmon life history and associated risks, assessment methodology, and salmon recovery issues statewide.

The panel will consist of six or seven technical panel members to be appointed by the SRFB at the July meeting. Names will be proposed by the agencies listed above (USF&W, NMFS, NWIFC, and WDFW), lead entity participants, SRFB members, and the general public. The list will be sent to the LEAG and SRFB agency members for

comment prior to the July meeting, and the panel members will be appointed at the July SRFB if possible.

6. The evaluation questions for lead entity lists:

The Board approved the first three background questions as written. Also approved the eight evaluation questions with some revision for clarification, to add information on stock priority, and to reflect the Board's earlier decision on the emphasis on "wild" salmon.

Topic #6 Late 2000 Grant Cycle Remaining Issues

Application manual 18a – Staff proposes to release this manual without sub-questions at this point in time. Will get sub-questions back to the Board via e-mail for final approval of the Board, not waiting until the July SRFB meeting. This would give the lead entities more time to work on the application.

A final version of Policy Manual 18 will be presented to the Board for final approval at the July SRFB meeting.

Topic #7: Report on Nearshore Meeting

Jim Fox gave a very quick overview of the recent meeting and informed the Board that a report will be forthcoming along with a policy paper for the Board's discussion and approval.

Topic #8: Partner Agency Reports

Jerry Alb has a fish passage grant program; handed out a copy of the solicitation document.

There being no further business, the meeting was adjourned at about 3:17 p.m.

SRFB APPROVAL:

William Ruckelshaus, Chair

Date

Future Meetings: July 12-13, 2000 - La Conner, Maple Hall
 September 14-15, 2000 – Vancouver, Water Resources Center
 October 30-31, 2000 - Clarkston

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